



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

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GOVERNOR

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COMMISSIONER OF ADMINISTRATION

December 1, 2000

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2001-26

TO: All UPS Agencies

FROM: Ronald S. Mitchell
Director

SUBJECT: Review of Tax Shelter Year-To-Date Report (BL1507-01)

This is a reminder to agencies that the Tax Shelter Year-To-Date report is produced biweekly and is available in BUNDL. The Tax Shelter report should be used to determine if RT12, RT20 and other TS tax shelter calendar year limits have been or will possibly be exceeded.

Currently the deferred compensation (Section 457) maximum is the lesser of \$8,000.00 or approximately 25% of the employee's federal taxable wages before the tax shelter deferral (TSLD, RT12, RT20). An exception is granted only for employees on a "catch-up" plan within three years of retirement. In general, the tax shelter annuity [Section 501(c) and 403(b)] maximum is \$10,000. There are also some exceptions to this maximum.

Agencies must review this report to avoid possible W-2c's. If an employee has exceeded or will exceed the maximum prior to the end of the year, the deduction should be stopped and, if necessary, a refund should be processed. **Agencies must contact the vendor prior to stopping a deduction or refunding a prior deduction.**

Questions regarding Section 457 maximums should be directed to Louisiana Deferred Compensation at (225) 926-8082. Questions about maximums for other tax sheltered amounts [501(c) and 403 (b)] should be directed to the vendor who the employee has the deduction with. Any additional questions should be directed to a member of the User Services or Production Control Units:

Karen Antoine	(225) 342-5354	Cynthia Spann	(225) 342-8928
Paula Rotolo	(225) 342-5357	Ralph Noland	(225) 342-8928
Christi Sanchez	(225) 342-5345	Cindy McClure	(225) 342-8928

RSM:APH:kmb